
Credit Union Department



NEWSLETTER

No. 12-08

www.t cud.state.tx.us

December 31, 2008

NOTICE OF LEGISLATIVE ADVISORY COMMITTEE MEETING

The Legislative Advisory Committee will be meeting on Friday, January 16, 2009, at 9:00 a.m. in Austin at the offices of the Credit Union Department. The agenda is available on the TCUD website ([click here](#)).

IRS FORM 990: TRANSITION UPDATE

The Department has been working hard to help credit unions make the transition from the Consolidated Group Form 990 return, which the Department will file for the last time for 2008, to filing individually, which all credit unions will begin doing for the 2009 return due on May 15, 2010. Twenty-three credit unions have chosen to file individually this year; the remainder have authorized the Department to include them in this last consolidated group return.

Whether a credit union is included in the group return or decides to file individually, the credit union must complete the Form 990. The Department has been busy on this as well, adding a 990 Resources link to its website to help credit unions learn to prepare the form. The Resources page has answers to frequently asked questions (FAQs), links to webinars on completing the return, and links to the forms and instructions.

It is important for every credit union to review and become familiar with the form and begin gathering the information necessary to complete the form. For credit unions that have chosen to be included in the group return, the completed 990 form and schedules will be due to the Department no later than March 6, 2009. Credit unions should allow time for their boards to approve the form and schedules before submitting them to the Department.

For credit unions that wish to begin completing the form, the 2008 990 Forms are now available in downloadable format at: <http://www.irs.gov/formspubs/lists/0,,id=97817,00.html>. Select the 2008 Form 990 Return of Organization Exempt from Income Tax, the related instructions, and any schedules that are relevant to your credit union. The Department will ask credit unions

to complete the form and schedules electronically and email them to us. Watch your email during the week of January 5, 2009, when we will send more information to each credit union included in the consolidated return.

CREDIT EXTENDED TO SERVICE MEMBERS AND DEPENDENTS

Congress enacted “Limitations on Terms of Consumer Credit Extended to Service Members and Dependents,” commonly known as the “Talent Amendment” in 2006. The Talent Amendment limits the cost associated with payday, vehicle title, and refund anticipation loans for service members and their dependents (“covered transactions”) and requires additional disclosures and protections. Implementing rules issued by the Department of Defense (DOD) in 2007 restrict:

- Interest to a 36 percent “military annual percentage rate” that comprises all fees and charges, including those for ancillary products sold in connection with the transaction;
- The amount and types of fees that may be charged;
- Rollover and refinancing; and
- The use of a check or other method of access to a covered borrower’s account.

The DOD rules also require that certain disclosures be provided before a covered transaction occurs, and prohibit certain practices, such as requiring mandatory arbitration. Credit unions offering any covered transactions may be subject to criminal and civil penalties if they violate the rule, and covered transactions that are not in compliance with the rule will be deemed void from inception.

SUSPICIOUS ACTIVITY REPORTS (SARs)

The Financial Crimes Enforcement Network (FinCEN) has issued the 14th edition of *The SAR Activity Review – Trends, Tips & Issues*. The report is the result of continuing dialogue and close collaboration among the nation’s financial institutions, law enforcement officials and regulatory agencies to provide meaningful information about the preparation, use and value of SARs filed by financial institutions. The publications can be accessed at: http://www.fincen.gov/news_room/rp/files/sar_tti_14.pdf

MAKING BYLAWS AND ARTICLES OF INCORPORATION AVAILABLE; REPORTING CHANGES TO MEMBERS

Credit unions should be aware that under §4.01(b) of the standard bylaws they are required to make the bylaws and articles of incorporation available to members. The Board of Directors is required to establish written policies concerning members’ access to these documents, as well as to board policies and guidelines. The Department has on occasion received calls from members who report that their credit union refused to allow them to see the bylaws or articles of incorporation.

In addition, under §8.01(c) of the standard bylaws (§2.01(c) of the 1986 version) credit unions are required to report to the members at the annual meeting any amendments the board has adopted during the year to their bylaws or articles of incorporation. The report must be made no later than the meeting following the approval of the amendment by the Commissioner.

CHANGE 21, RULES FOR TEXAS CREDIT UNIONS

On December 15, 2008, Change 21 to update the Rules for Credit Unions was mailed to all credit unions. The effective date of this revision is November 16, 2008. Additional copies of the rules or any updates may be purchased from the Texas Credit Union League, 4455 LBJ Freeway, Farmers Branch, Texas 75244.

5300 CALL REPORTS

The 5300 Call Reports for the year ending December 31, 2008, were mailed to each credit union on December 30th and are due on or before **January 20, 2009**. Please note that all errors must be resolved before a transmission file can be created. If you run into problems, please call Isabel Velasquez as soon as possible prior to the due date.

Credit unions with Internet should upload the Call Reports directly to the NCUA using the eSend feature contained in the 5300 software. The eSend option allows 5300 data to be transferred via the Internet to an NCUA processing server where it is electronically validated and compared to historical data. If any unusual or unlikely conditions exist, the credit union using the eSend option will receive via email a copy of the Historical Warnings Report for review.

PUBLISHING NOTICE OF APPLICATIONS IN THE TEXAS REGISTER

In order to meet the submission deadlines for the applicable issues of the *Texas Register*, it is necessary for the Department to establish the schedule included below. Completed applications received after the deadline for the month cannot be published until the following month.

<u>Published In</u>	<u>Deadline for Receipt</u>
January, 2009	Friday, January 16, 2009
February, 2009	Friday, February 13, 2009

APPLICATIONS APPROVED

Applications approved since November 30, 2008 include:

<u>Credit Union</u>	<u>Changes or Groups Added</u>
Field of Membership Change(s) Approved:	
Texas Dow Employees CU (Lake Jackson) (#3) (Amended) Persons who live, work, worship, or attend school in, and businesses and other legal entities located within a 10-mile radius of the branch office located at 2800 Texas Avenue, Texas City, Texas.	See Newsletter No. 08-08
Texas Dow Employees CU (Lake Jackson) (#4) (Amended) Persons who live, work, worship, or attend school in, and businesses and other legal entities located within a 10-mile radius of the branch office located at 10952 Westheimer Road, Houston, Texas.	See Newsletter No. 08-08
Abilene State School Credit Union (Abilene)	See Newsletter No. 10-08

APPLICATIONS RECEIVED

The following application was received and published in the December 26, 2008 issue of the *Texas Register*:

Field of Membership Expansion(s):

First Service Credit Union (Houston) -- To permit employees of Carrizo Oil & Gas, Inc. who work in or are paid from Houston, Texas, to be eligible for membership in the credit union.

Comments or a request for a meeting by any interested party relating to an application must be submitted in writing within 30 days from the date of this publication. Credit unions that wish to comment on any application must also complete a Notice of Protest form. The form may be obtained by contacting the Department at (512) 837-9236 or downloading the form at <http://www.tcud.state.tx.us/applications.html>. Any written comments must provide all information that the interested party wishes the Department to consider in evaluating the application. All information received will be weighed during consideration of the merits of an application. Comments or a request for a meeting should be addressed to the Texas Credit Union Department, 914 East Anderson Lane, Austin, Texas 78752-1699.

2009 Meeting Schedule Austin, Texas

Commission Meetings

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| ➤ Wednesday, February 11, 2009 (1:00 pm) | Credit Union Department Office |
| ➤ Friday, June 19, 2009 | Credit Union Department Office |
| ➤ Friday, October 16, 2009 | Credit Union Department Office |

Meetings begin at 10:00 a.m. unless notified differently

Legislative Advisory Committee Meetings

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| ➤ Friday, January 16, 2009 | Credit Union Department Office |
| ➤ Friday, May 15, 2009 | Credit Union Department Office |
| ➤ Friday, September 18, 2009 | Credit Union Department Office |

Meetings begin at 9:00 a.m. unless notified differently

HOLIDAY SCHEDULE FOR TCUD

The Department's office will be closed on **January 1, 2009** in observance of the New Year and **January 19th**, in observance of Martin Luther King, Jr., Day.

A HAPPY
NEW YEAR

The Credit Union Commission and the Staff of the Department would like to extend our best wishes for a New Year of health, happiness, and prosperity.